

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Home Department - Attachment of immovable properties in respect of Sri Mullapudi Harischandra Prasad, Managing Director, M/s. Venkataraya Enterprises, Tanuku, West Godavari District under section 3 of Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999, (Andhra Pradesh Act No.17 of 1999) – Ad-interim Order –Issued

HOME (GENERAL.B) DEPARTMENT

G.O.Ms.No: 49.

Dated:14 -02-2011.
Read the following:-

- 1) From the District Collector and Competent Authority, West Godavari District, Lr.Roc.C3/3994/2009, dated.16-11-2009.
- 2) From the Additional Director General of Police., CID., A.P., Hyderabad, Lr.C.No. 2916/C25/1/CID/2008, dt.21-09-2010.
- 3) From the District Collector and Competent Authority, West Godavari District, Lr.Roc.C3/3994/2009, dated.03-11-2010.

ORDER: -

Whereas, in the letter 2nd read above, the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, Hyderabad in his letter dated: 21-09-2010, has reported that the matter was examined by the Crime Investigation Department and furnished the following brief facts to the Government:-

(1) Sri. Yelamanchili Chakradhar Rao, Resident of Tanuku preferred a complaint alleging that Sri. Mullapudi Harischandra Prasad, Managing Director M/s. Venkataraya Enterprises has been accepting deposits from the general public for the last ten years and not paying the matured deposits to the depositors. He has also alleged that on demand by the depositors, the Managing Director promised to pay back the deposits and matter was postponed from time to time. Later, the Managing Director gave cheques to the depositors for the amounts against the bonds excluding interest and also took letters from the depositors, stating that they did not have any financial transactions with the company. As the act of the Managing Director is unfair, he was requested to do justice to the depositors. The company did not have any permission from the Reserve Bank of India to collect deposits from the public, etc;

(2) During the enquiry by the Crime Investigation Department, as many as eleven depositors were examined including the petitioner, Sri Y. Chakradhar Rao. As per their statements, it is revealed that the Managing Director, M/s. Venkataraya Enterprises, Tanuku has accepted the deposits from the public and even after maturity, he did not return the amounts to the depositors. It is also revealed that he had also run the chit fund business in the name and style of M/s. Sree Venkataraya Chit Funds Private Limited and did not pay the amounts to the chit subscribers;

(3) As per his office records, M/s. Venkataraya Enterprises, Tanuku is not registered. The District Registrar, Eluru has informed that, no such firm registered in his office;

(4) The Municipal Commissioner, Tanuku has informed that M/s. Venkataraya Enterprises is not registered with them and he has further stated that two firms, namely; 1. Venkataraya Cotton Mills and 2. Venkataraya Foods Private Limited., exist in the name of Dr. Mullapudi Harischandra Prasad, Tanuku Municipality;

(PTO)

(5) The Commercial Tax Officer-II, Tanuku has informed that M/s. Venkataraya Enterprises and group of Companies are not registered as dealers on the rolls of the Department;

(6) The Commercial Tax Officer -I, Tanuku has informed that M/s. Venkataraya Enterprises, Tanuku is not a registered dealer on the rolls of Commercial Tax Officer –I.

(7) The Assistant Labour Officer, Tanuku has stated that the firm was registered by his office under Andhra Pradesh Shops and Establishments Act, 1988;

(8) Further, the Deputy General Manager, Reserve Bank of India, Hyderabad - vide his letter dated 30.01.2009 has informed that, (a) M/s.Venkataraya Enterprises, Tanuku and (b) M/s. Venkataraya Financial Services, Tanuku are Unincorporated Bodies (UIB) and both the entities have neither registered with RBI nor Reserve Bank of India has given permission to accept deposits from the public. M/s. Sree Venkataraya Chit Funds Private Limited is exempted from the requirements of registration under section 45-A of the Reserve Bank of India Act, 1934, as it is doing business of chits;

(9) It is also reported that the following cases have been registered at Tanuku Town Police Station against the Managing Director, M/s. Venkataraya Enterprises;

- (i) Crime No.56/2008, under section 406, 408 & 420 Indian Penal Code, DOR 23.03.2008. Smt. Y.Rajya Laxmi and 14 others are complainants.
- (ii) Crime .No.62/2009, under section .406,420 Indian Penal Code, DOR 21-03-2009 Simhadri Venkateshwarlu Poduru is complainant. (Transferred from Poduru Police Station).
- (iii) Crime No.118/2009, under section 420 read with 34 Indian Penal Code, DOR 03.06.2009. Sri Y.Chakradhar Rao and 24 others are complainants

2. And whereas, the Additional Director General of Police, Crime Investigation Department., Andhra Pradesh, Hyderabad has finally reported that, the Managing Director, M/s. Venkataraya Enterprises, Tanuku have accepted the deposits from the public and even after maturity, he did not return the amounts to the depositors. As the provisions of Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 will be attracted in this case, instructions are being issued to the Superintendent of Police, West Godavari, to take steps to add the appropriate sections of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999, in the above cases registered against the company and to monitor the cases till completion of the investigation;

3. And whereas, in the letters 1st and 3rd read above, the District Collector and Competent Authority, West Godavari District in her letter dt.16.11.2009 has informed that, Sri Mullapudi Harischandra Prasad is a Managing Director of M/s. Venkataraya Enterprises, Tanuku and he has not made payments to the depositors of the said firm after maturity, inspite of their repeated requests. She has also furnished the details of immovable properties

of Sri Mullapudi Harischandra Prasad, Managing Director, M/s. Venkataraya Enterprises, Tanuku, West Godavari District and his legal heirs in the prescribed format and requested the Government to issue necessary orders under section 3 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Act No.17 of 1999) for taking further necessary action in the matter;

4. And whereas, in the letter of the District Collector and Competent Authority, West Godavari District, she has not mentioned the legal heirs of M/s. Venkataraya Enterprises, Tanuku are members of the said default establishment or the properties proposed to be attached have been procured out of the deposits collected by the said financial establishment;

5. And whereas, section 3 of Andhra Pradesh Protection of Depositors of Financial Establishments Act 1999 (Act No.17 of 1999), provides that

"3. Attachment of properties, on default, in respect of deposits:-

Notwithstanding anything contained in any other law for the time being in force,-

(i) where, upon complaints received from a depositor or depositors, that any financial establishment defaulted or is likely to default in the return of deposits in cash or kind after maturity, or in any manner agreed upon; or

(ii) where the Government have reason to believe that any financial establishment is acting in a manner prejudicial to the interests of the depositors with an intention to defraud the depositors;

and if the Government are satisfied that such financial establishment is not likely to return the deposits in cash or kind after maturity, or in any manner agreed upon, the Government may, in order to protect the interests of the depositors of such financial establishment, pass an ad-interim order attaching the money or other property alleged to have been procured either in the name of the financial establishment or in the name of any other person from out of the deposits collected by the financial establishment, or if it transpires that such money or other property is not available for attachment or not sufficient for repayment of the deposits, such other property of the said financial establishment, or the promoter, manager or member of the said financial establishment, as the Government may think fit, and transfer the control over the said money or property to the competent authority."

6. And whereas, orders were issued, in G.O.Ms.No.349, Home (Genl.B) Department, dated.29-10-1999, appointing all the District Magistrates of all Districts and Commissioners of Police of Hyderabad, Visakhapatnam and Vijayawada cities as Competent Authorities under sub-section (1) of section (4) of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Act No.17 of 1999) to exercise control over the properties attached by the Government under section 3 and such other powers and discharge such other functions as may be prescribed under sub-section (2) of section 4 of the said Act, within their respective Jurisdictions;

7. Now, therefore, in exercise of the powers conferred under section 3 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999, (Act No.17 of 1999), the Government of Andhra Pradesh after careful examination of the matter hereby pass an ad-interim order for attachment of immovable properties as shown in the Annexure to this order, pertaining to Sri Mullapudi Harischandra Prasad, Managing Director, M/s. Venkataraya Enterprises, Tanuku, West Godavari District, in order to protect the interest of the depositors of the said default establishment.

8. The District Collector and Competent Authority, West Godavari District is requested to take necessary further action accordingly, according to the provisions of the said Act and the Rules made thereunder in the matter, following due process and report compliance to the Government.

9. This order is available on Internet and it can be accessed in the web site of <http://goir.ap.gov.in/>

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B.P.ACHARYA
PRINCIPAL SECRETARY TO GOVERNMENT

To
The District Collector and Competent Authority, West Godavari District.

Copy to:

The concerned through the District Collector and Competent Authority,
West Godavari District.
The Additional Director General of Police,
Crime Investigation Department, Andhra Pradesh, Hyderabad
The Commissioner & Inspector General of Registration & Stamps,
Andhra Pradesh., Hyderabad .
The Law Department.
The P.S to Principal Secretary to Government, Home Department
The P.S to Minister for Home.
Sf/Sc.

//FORWARDED:BY ORDER//

SECTION OFFICER.

ANNEXURE
(to the G.O.Ms.No. 49 , Home (General.B) Department, dated. 14-02-2011)

STATEMENT SHOWING THE LAND PARTICULARS RELATING TO SRI MULLAPUDI HARISCHANDRA PRASAD, MD., M/s. VENKATARAYA ENTERPRISES, TANUKU,
WEST GODAVARI DISTRICT

Sl. No.	Name of the Title Holder	Relationship of the Title holds with proportion of the financial establishment	Document No and Date and Name of the Sub Register	Name of the village	Property Details		Basic Value of the Property/ year of the Purchase	Remarks
					R.S. No.	Extent		
1.	Sri Mullapudi Harischandra Prasad	Peternal Grand Father	Ancestral Property	Tanuku	85/6	0.99	2475000	
	Sri Mullapudi Harischandra Prasad	Peternal Grand Father		Tanuku	357	9.92	2300000	
	Sri Mullapudi Harischandra Prasad	Peternal Grand Father	--	Tanuku	182/2	2.71	6775000	Document Number not available
	Sri Mullapudi Harischandra Prasad	Peternal Grand Father	Ancestral Property	Tanuku	356/1	0.24	1800000	
	Sri Mullapudi Harischandra Prasad	Peternal Grand Father		Sajjapuram	71/1	3.60	27000000	
	Sri Mullapudi Harischandra Prasad	Peternal Grand Father		Sajjapuram	72/1	2.88	21600000	
	Sri Mullapudi Harischandra Prasad	Peternal Grand Father		Sajjapuram	73/1	2.21	16575000	
	Sri Mullapudi Harischandra Prasad	Peternal Grand Father		Sajjapuram	74	10.47	56250000	
TOTAL						33.02	134775000	

B.P.ACHARYA
PRINCIPAL SECRETARY TO GOVERNMENT

//FORWARDED:BY ORDER//

SECTION OFFICER.